

**C-Engrossed**  
**House Bill 2464**

Ordered by the Senate July 3  
Including House Amendments dated May 14 and June 14 and Senate  
Amendments dated July 3

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Requires person engaged in trade or business that makes payment for performance of construction services to make reports to payee and to Department of Revenue. Provides for penalties for failure to make required report.]*

**Imposes additional penalties for failure to file or incomplete filing of certain income tax returns or reports.**

Applies to payments made in tax years beginning on or after January 1, 2013.

*[Appropriates moneys from General Fund to Department of Revenue for purposes of carrying out provisions of Act.]*

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to tax compliance; creating new provisions; amending ORS 314.360 and 316.202; and pre-  
3 scribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 314.360 is amended to read:

6 314.360. (1) Fiduciaries required to make returns under laws imposing tax upon or measured by  
7 net income, proprietorships, partnerships, corporations, joint stock companies or associations or in-  
8 surance companies, having places of business in this state, in whatever capacity acting, including  
9 lessees or mortgagors of real or personal property, fiduciaries, employers, purchasers of stumpage  
10 and all officers and employees of the state or of any political subdivisions of the state, having the  
11 control, custody, disposal or payment of interest (other than interest coupons payable to bearer),  
12 rent, dividends, salaries, fees, wages, the purchase price of stumpage, emoluments or other fixed or  
13 determinable annual or periodical gains, profits and income, paid or payable, during any year to any  
14 taxpayer, shall make return thereof, under oath, to the Department of Revenue, under such regu-  
15 lations and in such form and manner and to such extent as it may prescribe.

16 (2)(a) Every person doing business as a broker shall, when required by the department, render  
17 a correct return duly verified under oath, under such rules and regulations as the department may  
18 prescribe, showing the names of customers for whom such person has transacted any business, with  
19 such details as to the profits, losses, or other information which the department may require, as to  
20 each of such customers, as will enable the department to determine whether all income tax due on  
21 profits or gains of such customers has been paid.

22 (b) Every person who is required to file a return with respect to a real estate transaction under  
23 section 6045(e) of the Internal Revenue Code shall file a copy of that return with the department.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (3) The department may prescribe circumstances under which the filing requirements under this  
2 section are waived.

3 **(4) In addition to any other penalty provided by law:**

4 **(a) A person who fails to file a return required under this section, or who files an in-**  
5 **complete or incorrect return, shall be subject to a penalty of \$50 per information return after**  
6 **the date on which the return is due, up to a maximum penalty of \$2,500.**

7 **(b) A person who knowingly fails to file a return required under this section, or who**  
8 **knowingly files an incomplete, false or misleading return, shall be subject to a penalty of \$250**  
9 **per information return after the date on which the return is due, up to a maximum penalty**  
10 **of \$25,000.**

11 **SECTION 2.** ORS 316.202 is amended to read:

12 316.202. (1) With each payment made to the Department of Revenue, every employer shall de-  
13 liver to the department, on a form prescribed by the department showing the total amount of with-  
14 held taxes in accordance with ORS 316.167 and 316.172, and supply such other information as the  
15 department may require. The employer is charged with the duty of advising the employee of the  
16 amount of moneys withheld, in accordance with such regulations as the department may prescribe,  
17 using printed forms furnished or approved by the department for such purpose.

18 (2) Except as provided in subsection (4) of this section, every employer shall submit a combined  
19 quarterly return to the department on a form provided by it showing the number of payments made,  
20 the withheld taxes paid during the quarter and an explanation of federal withholding taxes as com-  
21 puted by the employer. The report shall be filed with the department on or before the last day of  
22 the month following the end of the quarter.

23 (3) The employer shall make an annual return to the department on forms provided or approved  
24 by it, summarizing the total compensation paid and the taxes withheld for all employees during the  
25 calendar year and shall file the same with the department on or before the due date of the corre-  
26 sponding federal return for the year for which report is made. Failure to file the annual report  
27 without reasonable excuse on or before the 30th day after notice has been given to the employer  
28 of failure subjects the employer to a penalty of \$100. The department may by rule require additional  
29 information the department finds necessary to substantiate the annual return, including but not  
30 limited to copies of federal form W-2 for individual employees, and may prescribe circumstances  
31 under which the filing requirement imposed by this subsection is waived.

32 (4) Notwithstanding the provisions of subsection (2) of this section, employers of agricultural  
33 employees may submit returns annually showing the number of payments made and the withheld  
34 taxes paid. However, such employers shall make and file a combined quarterly tax report with re-  
35 spect to other tax programs, as required by ORS 316.168.

36 **(5) In addition to the penalty required under subsection (3) of this section and any other**  
37 **penalty required by law:**

38 **(a) A person who fails to file a report required under this section, or who files an in-**  
39 **complete or incorrect report, shall be subject to a penalty of \$50 per report after the date**  
40 **on which the report is due, up to a maximum penalty of \$2,500.**

41 **(b) A person who knowingly fails to file a report required under this section, or who**  
42 **knowingly files an incomplete, false or misleading report, shall be subject to a penalty of \$250**  
43 **per report after the date on which the report is due, up to a maximum penalty of \$25,000.**

44 **SECTION 3.** The amendments to ORS 314.360 and 316.202 by sections 1 and 2 of this 2013  
45 Act apply to payments made in tax years beginning on or after January 1, 2013.

1        **SECTION 4. This 2013 Act takes effect on the 91st day after the date on which the 2013**  
2        **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**  
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